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September 15, 2006

Bonneville Power Administration
Public Affairs Office – DKC-7
P.O. Box 14428
Portland, OR 97293-4428

Subject: Comments on BPA Proposal to Address Congestion

Snohomish County PUD No. 1 (the District) submits the following comments on the Bonneville Power Administration's (BPA) recent proposal to address congestion. Our understanding is the proposal represents a combination of both short and medium term "tools" which the Transmission Business Line (BPA-TBL) believes will mitigate congestion on the Northwest transmission system.

Overall, the PUD supports the proposal presented in the Final Report to the Congestion Management Steering Committee, but requests the Puget Sound Area Northern Intertie flow gate be included in the within-hour Reliability Re-dispatch Pilot Program proposed for 2007.

Implementing a reliability re-dispatch pilot in 2007 for the North of Hanford and North of John Day flow gates only – which specifically addresses regional *exports* -- would neglect ongoing congestion concerns for the Northwest's largest customer loads, including return of the Canadian Entitlement.

The recent FERC Transmission Corridor NOPR clearly identified the Puget Sound Region's I-5 corridor as a "congestion area of concern." Incorporating PSANI into the Steering Committee's proposed 2007 within-hour Reliability Re-dispatch program would be a positive first step in addressing these concerns, and offers the following benefits:


- Participants involved in prior PSANI re-dispatch pilots have real world experience with re-dispatch;
- The procedures/protocols in the proposed 2007 re-dispatch program are nearly identical to those used previously in the temporary PSANI re-dispatch agreement;
- Each party would manage its own INC/DEC of generation, therefore Control Area transfers would not change, which meets the established TBL criteria;
- Actual total costs for PSANI re-dispatch have been extremely low, so there would be no undue pressure on the \$1,000,000 cap instituted for the 2007 pilot;

- Sends a clear message that BPA is serious about managing congestion along the I-5 corridor;
- Protects regional load service in the Puget Sound from curtailments arising out of long-term contract requirements; and
- Socializes the cost of any required re-dispatch so the financial burden will no longer be borne by a handful of Northwest utilities.

The District realizes expanding the proposed 2007 pilot program to include PSANI may create additional pressure with regard to the implementation timeline. However, given the parties' past experience of how re-dispatch works for this flow gate, we remain confident timely implementation is possible, and that BPA, load-serving entities within the Puget Sound region, as well as British Columbia will support the addition of this flow gate to the within-hour 2007 Reliability Re-dispatch Pilot Program.

Again, the District appreciates the opportunity to comment on the BPA proposal to address congestion on the Northwest transmission system.

Sincerely,



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